



Force Account Guidelines

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FORCE ACCOUNT LABOR

Definition of Force Account: Professional services, construction, rehabilitation, repair or demolition that is performed by the following municipal, COG or county employees.

- Permanent employees of a recipient;
- Temporary employees of a recipient hired, not contracted, to specifically perform work on a federally funded or federally assisted construction project - the recipient must adhere to its hiring and employment policies for temporary employees;
- Employees of a county who are carrying out public facilities improvements for a recipient through an intergovernmental agreement as prescribed by the Texas Government Code, Interlocal Cooperation Contract, Chapter 791; or
- Employees of a public utility district or utility company on a case-by-case basis.

When using local staff, the local governing body must assure the following:

- The recipient has written personnel and employment policies that include specifically prohibited discriminatory practices;
- Conflict of Interest provisions are in place and enforced;
- EEO guidelines are followed in advertising for new employees; and
- All provisions are in compliance with Fair Labor Standards.

General Requirements

The box below provides the information needed to change from contract construction work to force account.

Request to Change from Contract Construction Work to Force Account

If a grantee did not include force account in its GLO-DR application for funding but circumstances arise that could best be handled by force account, the grantee must receive approval to change construction methods from the GLO-DR program by submitting a letter with the following information:

1. Description of the construction activities to be completed by force account;
2. Justification for doing the work by force account;
3. Details of grantee's experience with projects of like or similar nature;
4. Information on workload as it may affect capacity to do the work within time frame or work schedule;
5. A complete estimated cost breakdown showing:
 - a) The number of work hours and cost per hour for each category of labor, and
 - b) A list of non-salary costs such as materials, supplies, equipment owned by the grantee, equipment that must be rented, etc;
6. Certification that personnel that will perform the work are employees of the grantee, a city/county, a public utility district, or a utility company - if temporary workers are hired, certification that the employer's policies for temporary employees will be followed; and
7. List of names and qualifications of personnel performing specialized work, such as inspection, testing, electrical work, etc. as applicable.

Allowable Force Account Costs

The OMB Circular A-87 establishes cost standards for federally-funded or federally-assisted projects. Only actual expenditures incurred by the recipients as a result of the GLO-DR project are considered allowable costs. This applies whether these costs are being reimbursed with GLO-DR funds or used to document all or part of the recipient's required match. These costs can include labor, materials, equipment, and professional services.

Wages

Reasonable wages, which are paid by the recipient for work performed on the GLO-DR project, either as a local contribution or reimbursement, must be supported by adequate documentation that is maintained locally by the recipient. This documentation includes personnel cost calculation forms, time sheets, and payroll records. Compensation is considered reasonable when it is comparable to wages that are paid for similar work in other areas of that same government entity. When comparable work is not found within that entity, a salary survey should be conducted.

NOTE: Salaries and expenses of elected officials (mayor, county judge, city council, or county commissioners) of a political subdivision are considered a cost of local government and are NOT allowable grant costs.

A [Personnel Cost Calculation Sheet](#) must be completed for each employee to determine the allowable hourly rate charged on GLO-DR force account projects or to document match. The Personnel Cost Calculation Sheet must be maintained locally by the recipient.

Overtime Wages: Overtime costs incurred by the recipient for employees that work more than 40 total hours per week, including work on a GLO-DR project, are eligible costs. The recipient must complete a second *Personnel Cost Calculation Sheet* for each employee to determine an hourly rate for overtime in accordance with local employment policies and DOL regulations. Health insurance and other fixed cost benefits should NOT be increased on the overtime calculation; however any benefits paid by the employer based on wages may be adjusted for the overtime rate.

Personnel timesheets should clearly show the hours worked and duties performed for the GLO-DR project and all other projects. The Personnel timesheets must be maintained locally by the recipient.

Fringe Benefits: Allowable fringe benefits, if applicable, must be provided under a locally approved plan or policy and may be reimbursed in proportion to the amount of the employee's time spent on GLO-DR activities. Allowable fringe benefits may include the following compensation or contributions made by the recipient: vacation, holidays, sick leave, social security, life/health insurance, unemployment insurance, worker's compensation, and retirement. These benefits are reflected on the *Personnel Cost Calculation Sheet*.

Donation or Volunteer Work: Donation/volunteer work may be counted towards local contribution if the service is an integral and necessary part of the recipient's GLO-DR project.

Material Costs: All materials used in the construction of the project are eligible expenses. However, all materials must be procured according to the procurement procedures described in this manual.

Equipment Costs

Equipment is defined as tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Equipment purchases with grant funds will not be allowed under the GLO-DR Program. Materials are the items identified in the Table 2 of the GLO-DR application and installed as part of the GLO-DR activity, such as well pumps or Supervisory Control and Data Acquisition ("SCADA") systems, and the items are not treated as equipment under this section. Materials must be procured using either the Small Purchase procurement method or the Sealed Bids procurement method.

Charging for Equipment Use: Recipients may be compensated for the use of equipment on GLO-DR projects, including construction equipment. An [Equipment Cost Calculation Sheet](#) must be submitted for each piece of equipment for which the recipient requests reimbursement. This form documents the maximum hourly rate that will be charged for use of the equipment as well as the original acquisition cost of equipment owned by the recipient.

For all methods of charging for equipment, “in use” means that the equipment is in actual operation performing eligible work. Standby equipment costs are not eligible.

The hours charged for equipment use must agree with the corresponding hours documented for the equipment operator.

FEMA Equipment Rates: The GLO-DR program will generally allow recipients to use FEMA equipment rates for providing compensation for the use of equipment currently owned by the recipient up to a total of 50% of the acquisition cost of the equipment as documented through the original purchase invoice or other approved documentation. This documentation must be maintained locally by the recipient. The GLO-DR program will only reimburse for actual hours of construction time at the project site. All reimbursement requests must document this construction time.

Rates on the FEMA Schedule of Equipment Rates:

- Are for equipment in good mechanical condition, complete with all required attachments;
- Include all eligible costs of ownership and operation of equipment, including depreciation, overhead, all maintenance, field repairs, fuel, lubricants, tires, Occupational Safety and Health Administration (“OSHA”) equipment and other costs incident to operation (Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121);
- Do not include the labor costs of the equipment operator;
- Are based on hours of use; and
- Except that vehicles used to transport people (work crew, engineer, or other city personnel authorized to document progress for drawdown requests) must be based on mileage using the FEMA rate per mile. If the recipient requests reimbursement for a passenger vehicle based on a FEMA hourly rate rather than the rate per mile, documentation must be maintained locally by the recipient and must clearly show that the vehicle was used for eligible purposes other than transporting people.

Fuel and maintenance costs are included in the FEMA rate and are not eligible for separate reimbursement. Labor costs should be charged separately.

Depreciation: Recipients may be compensated for the use of equipment they own by using a generally accepted method of computing depreciation. The OMB provides guidance on charging for depreciation. The depreciated use allowance for equipment will be computed at an annual rate not exceeding 6 2/3%

of the acquisition cost. The recipient must maintain adequate property records and consistently apply the method of computing depreciation throughout its jurisdiction. Depreciation is not allowed on equipment that is considered fully depreciated or in conjunction with use allowances for the same piece of equipment.

Lease/Purchase Agreement: The recipient must obtain written authorization from the GLO-DR program before entering into a lease/purchase agreement. If a recipient enters into a lease/purchase agreement for equipment that will be used on a GLO-DR contract, the GLO-DR program will consider the equipment to be owned by the recipient for the purposes of charging equipment usage. The GLO-DR program will pay for the time the equipment is in use on the GLO-DR project using either the depreciation method or the FEMA rate method described above. Under no circumstances will an interest payment on a lease/purchase agreement be paid with GLO-DR funds.

Rental Cost Reimbursement: The GLO-DR program will pay for the time that rented equipment is in use on the GLO-DR project using the lower of the following hourly rates:

- FEMA rates; or
- Actual rental cost divided by a 40 hour work week, plus fuel costs.

Total costs for rented equipment may not exceed the FEMA rates authorized for that equipment.

Expendable Personal Property Costs

Expendable personal property is defined as property that has a useful life expectancy of less than one year and an acquisition cost of less than \$5,000 per unit. This can include a wide variety of items such as office supplies, drill bits, safety equipment, and hand tools. The purchase of expendable personal property is eligible provided all the following conditions have been met:

- The rental of the equipment is shown to be more expensive than its purchase;
- The use must be entirely dedicated to the GLO-DR project or its cost must be shared on a pro rata basis; and
- The recipient must receive approval from the GLO-DR program before purchasing any personal property. Written justification must also be submitted by the recipient with the invoice at the time of reimbursement. Small office supplies are exempt; however, back-up documentation is still required to be maintained locally.

Examples of Eligible and Ineligible Force Account Costs

Eligible

- Salary (per hour) of the Public Works Director supervising the force account work
- Mileage for a truck to transport the construction crew to the work site
- Purchase of a hand tool necessary to complete the project
- Purchase of paper and other office supplies necessary to administer the grant
- Drinking water provided to construction crews while performing force account work as a health and safety concern

Ineligible

- Salary of the County Commissioner supervising the force account work
- Mileage for a vehicle to transport the mayor to check progress on the project
- Purchase of a tool that is not necessary for the project, or that is very similar to tools already owned by the grantee
- Purchase of office supplies to be used for other activities of the grantee
- Lunch provided to construction crews on break

Force Account Recordkeeping

The recipient must maintain thorough documentation of all costs whether these costs are being reimbursed with GLO-DR funds or used to document all or part of the recipient's local contribution and all costs must apply to a particular line item of the GLO-DR contract budget. This documentation must be maintained locally by the recipient and is subject to audit and monitoring by the GLO and HUD.

This documentation must include:

- Employee personnel policies that delineate paid leave, overtime, equal employment, travel, and terms of employment policies, compliance with the FLSA, and Section 504. If temporary workers are hired to complete the project, the employee personnel policies must address temporary employees.
- A *Personnel Cost Calculation Sheet* to determine the hourly cost for each employee must be approved and signed by the employee's supervisor or other personnel authorized by the recipient.
- An [Administrative Personnel Time Sheet](#) should be completed for Project Delivery staff and a *Construction Personnel Time Sheet* should be completed for all construction activity. A *Multiple GLO-DR Contracts Personnel Time Sheet* may be used by recipients with several GLO-DR projects in progress at once. The forms must be approved and signed by the employee's supervisor or other personnel authorized by the recipient and should correspond to the recipient's regular employee time sheets to the extent that no one should be charged to the project if they are not in attendance.
- An *Equipment Cost Calculation Sheet* to determine the hourly cost for each piece of equipment must be approved and signed by personnel authorized by the recipient.

- A [Construction Personnel Time Sheet](#) documenting the use of the equipment and operator. Hourly costs may be based on FEMA equipment rates, depreciation, or rental cost as described in this chapter. Leased equipment must be supported by a copy of the lease agreement and a calculation of the hourly rental cost, including fuel, compared to the FEMA rate for the equipment.

Purchase vouchers, invoices, and canceled checks for all construction materials and other supplies. If the recipient uses materials already on hand, rather than purchasing materials specifically for the project, reimbursement will be based on the actual cost of the material at the time of purchase.

Documentation Required for each Request for Payment

All requests for payment that include force account costs must include:

- A completed [A203 Pay Request Form/A204 Purchase Voucher Form](#);
- A [Force Account Request for Payment Worksheet](#) signed by the recipient, project engineer, and administrator;
- A completed [Force Account Labor Summary Sheet](#); The total dollar amount by line on the summary sheet will be the basis for all reimbursements, reconciliations, audits and monitoring.
- A Force Account Equipment Cost Calculation Form, if applicable;

Upon completion of the construction, a [Certificate of Construction Completion for Force Account](#) must be submitted to the GLO-DR program.

The Grantee is responsible for reconciling and locally maintaining all required support to these documents. Do not send in individual weekly time sheets nor personnel cost calculation work sheets. This documentation must be maintained locally by the recipient and is subject to audit and monitoring by the GLO-DR and HUD.